

*House CIA Subc. Meeting
2:15 p.m.*

Proposed CIA Legislation

The Director mentioned in a meeting with Chairman Vinson several weeks ago that CIA would probably propose some amendments to the CIA Act of 1949 during the present session. Although we do not have final Budget Bureau or White House clearance on our proposals, and some of our proposals are running into serious trouble with these offices, it is almost certain that some of our proposals will be approved for forwarding to the Congress. It is, therefore, recommended that the Director mention this matter to the Committee along the following lines:

1. In our efforts to build up a career service within CIA, we have concluded that we should have a legislative base for certain benefits for our people which will place them on a comparable basis with personnel of the Armed Services and the State Department, particularly in the overseas area;
2. We have prepared proposed amendments to the CIA Act of 1949 which will accomplish this purpose. We have also prepared a few technical amendments (principally in the procurement field) which will permit us to carry out our administrative mission more effectively;
3. These proposals are now being reviewed by the Bureau of the Budget, and until this review is complete we cannot make any formal submission to the Committee. It can be stated generally, however, that our amendments cover such matters as storage costs for employees assigned overseas, travel costs of dependents for education and medical care in certain situations, home leave provisions, post differentials, retirement benefits, and a raising of our ceiling (from 15 to 35) on the number of retired officers of the Armed Services whom we may employ without regard to statutory limitations on the employment of such officers;
4. It is hoped that a final Executive Branch position on our proposals will be reached shortly, and we will be in touch with the Committee and its staff as soon as this has been done.

It is recommended that the Director avoid any further detail on our legislative proposals. The only reason for mentioning them at all is to put us formally on record with the Committee that something will be forthcoming. For your information, we are having difficulties within the Administration on our medical benefits proposals, our retirement proposals (although some sort of retirement benefits will eventually be approved); and our proposed extension of benefits to employees in the territories and possessions of the United States. The medical benefits provision is also likely to be somewhat controversial in the Congress. Apart from the general Congressional pressures against extending medical benefits (i.e., the socialized medicine arguments, etc.), the Armed Services Committee itself is now attempting to revise substantially the medical benefits provisions available to military personnel.